

MITTAL COMMERCE CLASSES

Intermediate Course: Group – I (Mock Test Paper – Series : 2)
 DATE: 11.10.2024 MAXIMUM MARKS: 100 TIMING: 3¼ Hours

PAPER 3 : TAXATION

SECTION - A : INCOME TAX LAW (50 MARKS)

Working Notes should form part of the answer. Whenever necessary, suitable assumptions may be made by the candidates and disclosed by way of a note. However, in answers to Questions in Division A, working notes are not required.

THE RELEVANT ASSESSMENT YEAR IS A.Y. 2024-25

DIVISION A - MULTIPLE CHOICE QUESTIONS

TOTAL MARKS: 15 MARKS

Write the most appropriate answer to each of the following multiple choice questions by choosing one of the four options given. All questions are compulsory.

Ans. 1 to Ans. 3:

Case Scenario

1. Ans. b
2. Ans. d
3. Ans. a

MCQ [3 MCQ of 2 Marks Each : Total 6 Marks]

Ans. 4 to Ans. 6:

Case Scenario

4. Ans. a
5. Ans. c
6. Ans. a

MCQ [3 MCQ of 2 Marks Each : Total 6 Marks]

7. Ans. a {2 M}

8. Ans. c {1 M}

DIVISION B - DESCRIPTIVE QUESTIONS

QUESTIONS NO. 1 IS COMPULSORY.

ATTEMPT ANY TWO QUESTIONS FROM THE REMAINING THREE QUESTIONS

TOTAL MARKS: 35 MARKS

Answer 1:

Computation of total income and tax liability of Mr. Pandey for the A.Y. 2024-25

Particulars	Amount (₹)
Profit and gains of business or profession [See Working Note 1]	6,98,500
Income from other sources	12,00,000
Gross Total Income	18,98,500 {2 M}
Less: Deductions under Chapter VI-A [See Working Note 2]	32,000
Total Income	18,66,500 {1 M}
Tax on total income	

MITTAL COMMERCE CLASSES

Tax on income of ₹ 18,66,500		
Upto ₹ 2,50,000	Nil	
₹ 2,50,001 - ₹ 5,00,000 @ 5%	12,500	
₹ 5,00,001 - ₹ 10,00,000 @ 20%	1,00,000	
8,66,500 @ 30%	2,59,950	3,72,450 {1 M}
Add: Health and Education cess @ 4%		14,898
Total tax liability		3,87,348
Total tax liability (rounded off)		3,87,350 {2 M}

Working Notes:

(1) Income under the head "Profits & Gains of Business or Profession"

Particulars	₹	₹
Net profit as per Profit and Loss account		19,13,500
Add: Expenses debited but not allowable		
(i) Amount paid in cash to a tax consultant and included in administrative expenses disallowed u/s 40A(3), since such cash payment exceeds 10,000	55,000	
(ii) 30% of rent paid without deduction of tax at source disallowed u/s 40(a)(ia) [30% of ₹ 50,000] [See Note below for alternate view]	15,000	
(iii) Depreciation as per books of account	55,000	1,25,000 {1 M}
		20,38,500 {1 M}
Less: Income credited but not taxable or taxable under any other head:		
(i) Dividend from Indian companies taxable under the head "Income from Other Sources"	12,00,000	
(ii) Interest on deposit certificates issued under Gold Monetisation Scheme 2015 [Exempt u/s 10(15)(vi)]	15,000	
(iii) Gifts [Since it represents the value of benefit received from clients during the course of profession, the same is taxable under Section 28(iv) under the head "Profits and gains of business or profession"]	-	12,15,000 {1 M}
		8,23,500 {1 M}
Less: Depreciation allowable under the Income-tax Act, 1961		1,25,000 {1 M}
		6,98,500 {1 M}

(2) Deductions under Chapter VI-A

Particulars	₹	
Deduction under Section 80D (Payment of mediclaim premium)		
Mediclaim premium of ₹ 27,000 paid for insuring the health of parents, being senior citizens, is allowable in full, even if they are not dependent, since the same has been paid by cheque and does not exceed the limit of ₹ 50,000.	27,000	{1 M}
Preventive health-check up expenses of ₹ 8,500 for self and spouse would qualify for deduction subject to a maximum of ₹ 5,000, even if the payment is made by cash.	5,000	32,000 {1 M}
Deduction under section 80EE (Interest on housing loan) no deduction as the loan is not sanctioned in PY 2022-23		
Total deduction under Chapter VI-A		32,000 {1 M}

MITTAL COMMERCE CLASSES

Answer 2:

(a) Computation of total taxable income of Mr. Mahadev and Mrs. Dariya for the Assessment Year 2024-25

	Particulars	Mr. Mahadev	Mrs. Dariya	
(i)	Income from Salary (computed)	-	3,80,000	
(ii)	Income of Profession (computed)	5,65,000	-	
(iii)	Loan received by Mrs. Dariya from Ramu and Jay (Pvt.) Ltd. [As Mrs. Dariya holds 35% shares of the company and it is receiving loan from the company it is covered by Section 2(22)(e), but it will be taxable to the extent of accumulated profits. Since the company incur losses from inception hence nothing is taxable in this case.]	{1/2 M} -	-	}{1/2 M}
(iv)	Income of minor son golu winning singing reality show Will be taxable in his hands only since its income from own Talent.	{1/2 M} -	-	}{1/2 M}
(v)	Cash gift received by golu from friend of Mr. Mahadev Since it does not exceed ₹ 50,000 hence not taxable and hence It cannot be clubbed	{1/2 M} -	-	}{1/2 M}
(vi)	Income of minor married daughter clubbed in hands of parents whose income is higher after exemption under Section 10(32) of ₹ 1,500 40,000 - 1,500 =	{1/2 M} 38,500	-	}{1/2 M}
	Total Taxable Income	{1/2 M} 6,03,500	3,80,000	}{1/2 M}

Answer:

(b) TDS Implications

- (i) **On payment of sale consideration for purchase of residential house property** – Since the sale consideration of house property is less than ₹ 50 lakhs, Mr. Karan is not required to deduct tax at sources u/s 194-IA, irrespective of the fact that the stamp duty value is more than the sale consideration as well as the threshold limit of ₹ 50 lakhs. }{1 M}
- (ii) **On payment of fee for professional services and royalty** – Under Section 194J, the threshold limit of ₹ 30,000 is specified separately for, inter alia, fees for professional services and royalty. Therefore, XYZ Private Limited is not required to deduct tax at source under Section 194J either on fee of ₹ 22,000 for professional services or on royalty of ₹ 18,000 paid to Mr. Narayan, since the payment under each category does not exceed the independent threshold ₹ 30,000 specified thereunder. }{1 M}
- (iii) **On Payment for purchase of calendar according to specifications-**
As per Section 194C, the definition of "work" does not include the manufacturing or supply of product according to the specification by customer in case the material is purchased from a person other than the customer. Therefore, M/s ABC limited is not required to deduct tax at source in respect of payment of ₹ 1,75,000 to Mr. Vaibhav, for purchase of calendar according to its specifications, since it did not supply the material for such calendar. Hence, the contract is a contract for 'sale' and not a works contract. }{1 M}

MITTAL COMMERCE CLASSES

- (iv) **On payment of sitting fees to the director** – Talent Private Limited is required to deduct tax at source @10% on sitting fees of ₹ 12,000 paid to its director, since the threshold limit of ₹ 30,000 u/s 194J is not applicable in respect of fees paid to a director of a company. } {1 M}
- (v) **On payment of call centre service charges** – Since Radha Limited is engaged only in the business of operation of call centre, Shyam Limited is required deduct tax at source @ 2% on the amount of ₹ 70,000 u/s 194J on 18.3.2023 i.e., at the time of credit of call centre service charges to the account of Radha Limited, since the said date is earlier than the payment date i.e., 28.3.2024. } {1 M}

Answer 3:

(a)

Particulars	Amount (₹ in Lakhs)
Sale Consideration	930
Less: Expenses on Transfer	Nil
Net Sale Consideration	930
Less: Net Worth [See Note]	(840)
Long Term Capital Gain	90 } {3 M}

1. Computation of Net Worth

Cost of Acquisition	
Fixed Asset [Land cost ₹ 110 + Other Depreciable Asset as per IT Act ₹ 430]	540
Other Asset	440
	980
Less: Liabilities of Unit R	(140)
Net Worth	840 } {2 M}

2. In case of Slump sale indexation benefit is not available. } {1/2 M}
3. Revaluation is ignored in slump sale.
4. Period of holding in case of slump sale commenced from the date of commencement of the unit which is transferred upto the date of transfer of such unit which is more than 36 months in given case. Hence gain is long term capital gain. } {1/2 M}

Answer:

(b) (i)

Computation of depreciation for A.Y.2024-25

Particulars	Rs.
Opening balance of the block as on 1.4.2023 [i.e., W.D.V. as on 31.3.2023 after providing depreciation for P.Y. 2022-23]	8,50,000
Add: Purchase of second-hand plant during the year	8,50,000
	17,00,000
Less: Sale consideration of old machinery during the year	11,00,000
W.D.V of the block as on 31.03.2024	6,00,000 } {1 M}

Since the value of the block as on 31.3.2024 comprises of a new asset which has been put to use for less than 180 days, depreciation is restricted to 50% of the prescribed percentage of 15% i.e. depreciation is restricted to 7½%. Therefore, the depreciation allowable for the year is Rs. 45,000, being 7½% of Rs. 6,00,000.

MITTAL COMMERCE CLASSES

- (ii) The provisions under section 50 for computation of capital gains in the case of depreciable assets can be invoked only under the following circumstances:
- When one or some of the assets in the block are sold for consideration more than the value of the block.
 - When all the assets are transferred for a consideration more than the value of the block.
 - When all the assets are transferred for a consideration less than the value of the block.

Since in the first two cases, the sale consideration is more than the written down value of the block, the computation would result in short term capital gains.

In the third case, since the written down value of the block exceeds the sale consideration, the resultant figure would be a short-term capital loss of the block. } {1 M}

In the given case, capital gains will not arise as the block of asset continues to exist, and some of the assets are sold for a price which is lesser than the written down value of the block. } {1 M}

- (iii) If the three machines are sold in June, 2023 for Rs. 21,00,000, then short term capital gains would arise, since the sale consideration is more than the aggregate of the written down value of the block at the beginning of the year and the additions made during the year. } {1 M}

Particulars	Rs.	Rs.
Sale consideration		21,00,000
Less: Opening balance of the block as on 1.4.2023 [i.e., W.D.V. as on 31.3.2023 after providing depreciation for P.Y. 2022-23]	8,50,000	
Purchase of second plant during the year	8,50,000	17,00,000
Short term capital gains		4,00,000

Answer 4:

(a) Computation of Gross Total Income of Mr. X for A.Y. 2024-25

Particulars	₹
Basic Salary = ₹ 20,000 x 10	2,00,000
Dearness Allowance = 50% of basic salary	1,00,000
Gift Voucher (See Note - 1)	6,000
Transfer of car (See Note - 2)	56,000
Gratuity (See Note - 3)	80,769
Leave encashment (See Note - 4)	1,30,000
Uncommuted pension (₹ 5000 x 2)	10,000
Commuted pension (See Note - 5)	1,50,000
Gross Salary	7,32,769
Less: Standard Deduction u/s 16(ia)	50,000
Taxable Salary/ Gross Total Income	6,82,769

Notes:

- (1) As per Rule 3(7)(iv), the value of any gift or voucher or token in lieu of gift received by the employee or by member of his household not exceeding ₹ 5,000 in aggregate during the previous year is exempt. In this case, the amount was received on his retirement and the sum exceeds the limit of ₹ 5,000. Therefore, the entire amount of ₹ 6,000 is liable to tax as perquisite.

Note: An alternate view possible is that only the sum in excess of ₹ 5,000 is taxable in view of the language of Circular No. 15/2002 dated 12.12.2002 that such gifts upto ₹ 5,000 in the aggregate per annum would be exempt, beyond which it would be taxed as a perquisite. As per this view, the value of perquisite would be ₹ 1,000 and gross taxable income would be ₹ 7,27,769.

Perquisite value of transfer of car: As per Rule 3(7)(viii), the value of benefit to the employee, arising from the transfer of an asset, being a motor car, by the employer is the actual cost of the motor car to the employer as reduced by 20% of such cost for each completed year during which such motor car was put to use by the employer on a written down value basis. Therefore, the value of perquisite on transfer of motor car, in this case, would be:

Particulars	₹
Purchase price (30.1.2021)	5,00,000
Less: Depreciation @ 20%	1,00,000
WDV on 29.1.2022	4,00,000
Less: Depreciation @ 20%	80,000
WDV on 29.1.2023	3,20,000
Less: Depreciation @ 20%	64,000
WDV on 29.1.2024	2,56,000
Less: Amount recovered	2,00,000
Value of perquisite	56,000

{1 M}

The rate of 15% as well as the straight line method adopted by the company for depreciation of vehicle is not relevant for calculation of perquisite value of car in the hands of Mr. X.

(2) Taxable gratuity

Particulars	₹
Gratuity received	6,00,000
Less: Exempt under section 10(10) - Least of the following:	
(i) Notified limit = ₹ 20,00,000	
(ii) Actual gratuity = ₹ 6,00,000	
(iii) $15/26 \times ₹ 30,000 \times 30 = ₹ 5,19,231$	5,19,231
Taxable Gratuity	80,769

{1 M}

(3) Taxable leave encashment

Particulars	₹
Leave Salary received	3,30,000
Less: Exempt under section 10(10AA) - Least of the following:	
(i) Notified limit	₹ 25,00,000
(ii) Actual leave salary	₹ 3,30,000
(iii) 10 months x ₹ 20,000	₹ 2,00,000
(assuming that dearness allowance does not form part of pay for retirement benefit)	
(iv) Cash equivalent of leave to his credit	2,20,000
$\left(\frac{330}{30} \times 20,000\right)$	2,00,000
Taxable Leave encashment	1,30,000

{1 M}

Note: It has been assumed that dearness allowance does not form part of salary for retirement benefits. In case it is assumed that dearness allowance

MITTAL COMMERCE CLASSES

forms part of pay for retirement benefits, then, the third limit for exemption under section 10(10AA) in respect of leave encashment would be ₹ 3,00,000 (i.e. 10 x ₹ 30,000) and the fourth limit ₹ 3,30,000, in which case, the taxable leave encashment would be ₹ 30,000 (₹ 3,30,000 - ₹ 3,00,000). In such a case, the gross total income would be ₹ 6,32,769.

(4) Commuted Pension

Since Mr. X is a non-government employee in receipt of gratuity, exemption under Section 10(10A) would be available to the extent of 1/3rd of the amount of the pension which he would have received had he commuted the whole of the pension.

Particulars	₹
Amount received	3,00,000
Exemption under Section 10(10A)	1,50,000
Taxable amount	1,50,000

- (5) The taxability provisions under Section 56(2)(x) are not attracted in respect of television received from colleagues, since television is not included in the definition of property therein.

Answer:

(b)

Computation of Income from House Property

Particulars	1 st Unit ₹	2 nd Unit ₹
Nature of House Property	Self Occupied	Let Out
Annual Value u/s 23(1)(a) / (b) (See Notes 1 & 2)	Nil	1,08,000
Less: Municipal Taxes paid - (₹ 2,44,000 x 12% x 50%)	Nil	(14,640)
Net Annual Value	Nil	93,360
Less: Deduction u/s 24		
30% of NAV (₹ 93,360 x 30%)	Nil	(28,008)
Interest on Borrowed Capital (₹ 1,000 p.m. x 12 months) each for 2 units	(12,000)	(12,000)
Income from House Property	(12,000)	53,352
Taxable Income from House Property (after inter-source adjustment)		41,352

Notes:

- Annual Value of 2nd Unit** is determined as under: Since both are identical units, both the House Properties occupy equal floor space. [For Municipal Value and Tax Apportionment.] [So, 50% of each amount is considered in computations.]

 - Higher of Municipal Value (₹ 1,22,000) or Fair Rent (₹ 1,17,500), i.e. ₹ 1,22,000.
 - Lower of ₹ 1,22,000 [as per (a) above] or Standard Rent (₹ 1,10,000), i.e. ₹ 1,10,000.
 - Actual Rent Receivable for the whole year of ₹ 1,44,000 (12,000 x 12) and the Standard Rent of ₹ 1,10,000 which ever is higher is the Annual Value.
 - However, the annual value shall be the Actual Rent received for let out period, if it lower owing to vacancy.
Hence, Annual Value is ₹ 1,08,000 (₹ 12,000 x 9).
- Annual Value of 1st Unit:** Since the House Property is self occupied by the Assessee, the Annual Value of the property is taken as NIL.

MITTAL COMMERCE CLASSES

3. **Set-off of Losses:** Loss from one House Property can be set off against Income from another Property, u/s 70.
4. Light and Water Charges, Insurance Charges and Painting Expenses are not allowable as deduction u/s 24.

} {1 M}

OR

Answer:

- (b) Every person who has been allotted PAN as on 1st July, 2017, and who is eligible to obtain Aadhar Number, has to intimate his Aadhar Number to prescribed authority on or before 31st March, 2024.
 Since, Mr. A fails to link his Aadhar number with PAN on or before 31.3.2024, consequently, at the time of linking his Aadhar number with PAN on 31.8.2024, he would be liable to pay fee of ₹ 1,000 as per section 234H.

} {2 M}

Yes, the following are the exceptions:

An individual who does not possess the Aadhar number or Enrolment ID and is:

- (i) residing in Assam, Jammu & Kashmir and Meghalaya
- (ii) a non-resident as per Income-tax Act, 1961;
- (iii) of the age of 80 years or more at any time during the previous year;
- (iv) not a citizen of India.

} {4 x 1/2 M
Each = 2 M}

SECTION - B : GOODS AND SERVICES TAX (50 MARKS)

- (i) Working Notes should form part of the answers. However, in answers to Questions in Division A, working notes are not required.
- (ii) Whenever necessary, suitable assumptions may be made by the candidates and disclosed by way of a notes.
- (iii) All questions should be answered on the basis of position of the GST law as amended by provisions of the CGST Act, 2017 and the IGST Act, 2017 as amended by the Finance Act, 2023, including significant notifications and circulars issued, up to 31st October, 2023.

DIVISION A - MULTIPLE CHOICE QUESTIONS

TOTAL MARKS: 15 MARKS

Write the most appropriate answer to each of the following multiple choice questions by choosing one of the four options given. All questions are compulsory.

Ans. 1 to Ans. 6

Case Scenario

1. Ans. c
2. Ans. d
3. Ans. d
4. Ans. d
5. Ans. d
6. Ans. a

MCQ [6 MCQ of 2 Marks Each : Total 12 Marks]

7. Ans. c }{2 M}
8. Ans. b }{1 M}

DIVISION B - DESCRIPTIVE QUESTIONS

QUESTION NO. 1 IS COMPULSORY

ATTEMPT ANY TWO QUESTIONS OUT OF REMAINING THREE QUESTIONS.

TOTAL MARKS: 35 MARKS

Answer 1:

(a) Computation of Net GST Payable in cash of Mr. Himanshu for September, 2023

Particulars	Value (₹)	CGST (₹)	SGST (₹)	IGST (₹)
Total tax liability				
Intra-State outward supplies of goods	25,00,000	2,25,000	2,25,000	
Inter-State outward supplies of goods	5,00,000			90,000
Total Tax Liability (A)		2,25,000	2,25,000	90,000
Input Tax Credit (ITC)				
Brought forward ITC		95,000	60,000	50,000
Intra-State purchase of goods from registered dealer [Note-1]	14,00,000	1,26,000	1,26,000	
Inter-State purchase of goods from registered dealer [Note-1 and Note 4]	3,00,000	-	-	54,000
Intra-State purchase of goods from unregistered dealer [Note-2]	2,00,000	-	-	-
Purchase of car used for business purpose [Note-3]	-	-	-	-
Total ITC (B)		2,21,000	1,86,000	1,04,000
Net GST liability = (A) - (b)		4,000	39,000	-14,000
Less: Set off from IGST credit [Note-5]		4,000	10,000	
Net GST payable in cash		{2 M} Nil	29,000	{2 M} Nil

Notes:

- Every registered person is entitled to take credit of input tax charged on any inward supply of goods used/intended to be used in the course/furtherance of his business.
- Intra-State supplies, received by a registered person from any unregistered supplier, are exempt from the whole of the tax leviable thereon under reverse charge till 30.09.2023. Since no tax has been paid, so no credit is available.
- Input tax paid on capital goods cannot be availed as ITC if depreciation has been claimed on such tax component. Moreover, ITC on motor vehicle (car) is blocked under section 17(5) of CGST Act, 2017.
- A registered person is entitled to avail input tax in respect of any supply of goods to him only if he has actually received the said goods. Since goods worth ₹ 1,00,000 have not been received by Mr. Himanshu in the month of September 2023, credit in respect of same cannot be claimed in the said month.
- Input tax credit of IGST has been used to pay IGST, CGST and SGST in that order.

{1/2 M
Each for
Any 4 =
2 M}

MITTAL COMMERCE CLASSES

Answer :

(b)

Computation of value of taxable supplies

Particulars	Amount (₹)	
Services relating to rearing of sheeps	Nil	}{1 M}
[Exempt since services relating to rearing of all life forms of animals, except horses, for food etc. are exempt.]		
Services by way of artificial insemination of horses	4,00,000	}{1 M}
[Not exempt since services of artificial insemination are exempt only of livestock other than horses.]		
Processing of sugarcane into jaggery	8,00,000	}{1 M}
[Not exempt, since processes which alter the essential characteristics of agricultural produce are not exempt and processing of sugarcane into jaggery changes the essential characteristics of sugarcane.]		
Milling of paddy into rice	7,50,000	}{1 M}
[Not exempt, since this process, being carried out after cultivation is over, is not an intermediate production process in relation to cultivation of plants and it also changes the essential characteristics of paddy.]		
Services by way of fumigation in a warehouse of agricultural produce	Nil	}{1 M}
[Specifically exempt from GST.]		
Value of taxable supplies	19,50,000	}{2 M}

Answer 2:

- (a)** Provisions of Section 49(10) of CGST Act, 2017 permit a registered person for transferring the amount deposited under any of the minor head i.e. tax, interest, penalty, fees or others to any of the heads under IGST/CGST/SGST/UTGS and make the payment of taxes there upon. Accordingly, Mr. A need not deposit the tax amount under head "tax" and claim a refund for the remittance of amount deposited under head "interest". Rather, using the Form GST PMT 09, such amount can be transferred suo-moto on the common portal from "interest" to "tax" head and tax liability be paid accordingly. }{5 M}

Answer:

- (b)** In case of supply of goods, the time of supply of goods shall be earlier of the following: }{1 M}
- (a) Date of issue of Invoice i.e. (05.10.2023) or
 - (b) the last date by which invoice needs to be issued i.e. (03.10.2023 being delivery of goods)
 - (c) Receipt of payment by supplier (date of credit in the bank account or date of payment as entered in books of account of supplier) i.e, 09.10.2023
- Hence the time of **supply is 03.10.2023.** }{2 M}

Answer:

- (c)** As per Section 12(4) of IGST Act, the place of supply of restaurant/catering service is the location where such service is performed. }{1 M}
- Hence in this case place of supply is Pondicherry and Mahabhalipuram i.e. Tamilnadu, where service given to customer. }{1 M}

Answer 3:

- (a) The term aggregate turnover means the aggregate value of:**

MITTAL COMMERCE CLASSES

- | | |
|---|---------|
| (i) all taxable supplies
(ii) exempt supplies
(iii) exports of goods or services or both and
(iv) inter-State supplies of persons having the same Permanent Account Number, to be computed on all India basis but excluding. | } {1 M} |
| (i) central tax, State tax, Union territory tax, integrated tax and cess.
(ii) the value of inward supplies on which tax is payable by a person on reverse charge basis. | |

Computation of aggregate turnover of P Ltd. for the Month of October, 2023

Particulars	Amount (₹)	
In terms of the definition of the aggregate turnover given above, the aggregate turnover of P Ltd. has been computed as follows;		
Infra-State outward supply	8,00,000	
Inter-State exempt outward supply	4,00,000	
Turnover of exported goods	20,00,000	
Payment of IGST	Nil	} {1/2 x 4 = 2 M}
Payment of CGST and SGST	Nil	
Payment of customs duty on export	40,000	
Payment made under reverse charge for availing GTA services	Nil	
Aggregate turnover	32,40,000	} {1 M}

Answer:

- (b) Five cases where generation of E-way bill is not necessary:
- | | |
|--|---------------------------|
| 1. Where the goods are being transported by a non-motorised conveyance.
2. Where the Supply of Goods being transported is treated as no supply under Schedule III of the Act.
3. Where empty cargo containers are being transported.
4. Where the Consignor of goods is the Central Government, Government of any State for transport of Goods by Rail.
5. Where the goods being transport are transit cargo from or to Nepal or Bhutan. | } {0.60 M Each x 5 = 3 M} |
|--|---------------------------|

Answer:

- (c) As per section 2(74), mixed supply means two or more individual supplies of goods or services, or any combination thereof, made in conjunction with each other by a taxable person for a single price where such supply does not constitute a composite supply. } {1 M}
- Supply of a package containing chocolates, fruit juice bottles and a packet of toy balloons is a mixed supply as each of these items can be supplied separately and is not dependent on any other. Further, as per section 8(b), the mixed supply is treated as a supply of that particular supply which attracts the highest rate of tax. } {2 M}
- Thus, in the given case, supply of packages is treated as supply of chocolates [since it attracts the highest rate of tax] and the rate of GST applicable on the package of Rs. 6,00,000 (20,000 × Rs. 30) is 18%.

Answer 4:

- (a) In case of delayed payment of tax, interest is payable @ 18% per annum from the date following the due date of payment to the actual date of payment of tax. However, interest is payable only on the short-paid tax which is paid through electronic cash ledger if return section 39 is furnished after the due date. } {2 M}

MITTAL COMMERCE CLASSES

- (i) In the given case, PQR Ltd. has furnished the return for August 2023 by the due date. Hence, interest is payable on the entire amount of short payment of ₹ 10,000, as under: {2 M}
 $= ₹ 10,000 \times 18\% \times 61/365 = ₹ 300.82$ or 301 (rounded off)
- (ii) If PQR Ltd. has furnished the return for August 2023 after the due date, interest is payable only on the short payment which is paid through electronic cash ledger, i.e. ₹ 7,500, as under: {2 M}
 $= ₹ 7,500 \times 18\% \times 61/365 = ₹ 225.62$ or 226 (rounded off)

Answer:

- (b)** (i) Person making any Inter-State taxable supply of goods is required to obtain registration compulsorily under GST laws irrespective of the quantum of aggregate turnover. {2 M}
 Thus, in the given case Mr. Raghav is required to obtain registration compulsorily under GST laws even though his aggregate turnover does not exceed the threshold limit in the financial year.
- (ii) Persons who make taxable supply of goods on behalf of other taxable persons whether as an agent or otherwise are required to obtain registration compulsorily under GST laws irrespective of the quantum of aggregate turnover. Aggregate turnover includes all supplies made by the taxable person, whether on his own account or made on behalf of all his principals. Since Mr. S.N Gupta is also acting as an agent of Mr. Rishi of Delhi, he is required to obtain registration compulsorily under GST laws. {2 M}

OR

Answer:

- (b)** The statement is partially valid. {4 M}
 A taxpayer cannot file Form GSTR-1 before the end of the current tax period. However, following are the exceptions to this rule:
 a. Casual taxpayers, after the closure of their business
 b. Cancellation of GSTIN of a normal taxpayer.
 A taxpayer who has applied for cancellation of registration will be allowed to file Form GSTR-1 after confirming receipt of the application.

— ** —